

Options at Retirement FAQs

Your Retirement Application and Options Webinar

What is the best option to choose?

The best option is the one that fits your individual need or situation. A few questions to consider are:

- Does someone else depend on your retirement check now?
- Will they be able to live in the same manner if you were to pass away and your check stopped?
- Can you afford to take a reduction in your retirement check so you can leave a lifetime benefit to someone else?

My 5-year-old granddaughter lives with me, I am thinking about naming her as my beneficiary under option 2. Can I do this and if so, how will this affect my check?

Yes, you can name anyone as a lifetime beneficiary but keep in mind the younger your beneficiary the bigger the reduction to your check. It is strongly recommended that you get an estimate of all options you are considering before you submit an application for retirement.

If I choose Option 1, will the State pay my beneficiaries the payment I made for purchasing additional service credit as well?

Yes, as long as there is an Option 1 balance. Payments made when purchasing service credit are included in your contribution balance.

If your beneficiary passes away before you or if you get married after retiring, can you change your selected benefit?

After you have retired, your life circumstance may change. Information can be found in our [Pub 98 – What You Need to Know About Changing Your Beneficiary or Monthly Benefit after Retirement](#).

If you choose an option for a beneficiary monthly benefit, does the beneficiary receive the designated amount for the rest of their life?

Yes, if a member chooses a lifetime benefit option and the member passes away before the beneficiary, the beneficiary will receive a monthly benefit for the rest of their life.

Can you please explain Option 1 again? After 10.8 years, does this mean there is nothing left for beneficiaries? Regardless of beneficiaries, does the retiree receive the amount for life?

Upon the member's death, any unused member contributions in their account will be paid to their beneficiary in a lump sum. Option 1 does not provide a continuing monthly allowance to a beneficiary.

It takes approximately 10 years of receiving retirement checks to deplete member contributions. Once the contributions are exhausted, the monthly benefit continues to be paid to the member for life, but this lump sum death benefit is no longer payable.

Members who choose this option usually have a substantial contribution balance they want to protect.

The number of Option 1 beneficiaries does not affect the amount of the member's monthly retirement benefit.

I don't get the difference between 3 and 3w. Could you review difference between option 3 and 3w, please?

For a complete review retirement options, please review [Pub 1 Your CalPERS Benefits Planning Your Service Retirement and Pub 18 Retirement Option 4](#).

How can I tell if Option 4 (2W + 1) is a better option for me than Option 2W?

It is strongly recommended that you get an estimate of all options you are considering before you submit an application for retirement. This will allow you to compare the options to determine which fits your individual situation. An estimate provides the detailed death benefit information needed for you to make an informed decision.